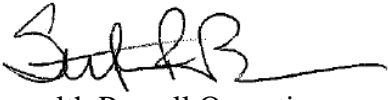


**TO:** All Human Resource Directors for  
Agencies Serviced by the  
Bureau of Commonwealth Payroll Operations (BCPO)

**FROM:** Stephen R. Burns   
Director  
Bureau of Commonwealth Payroll Operations

**DATE:** October 19, 2016

**RE:** BCPO Memo #16-05, Social Security Rates - 2017

The Social Security Administration has announced changes to the maximum earnings subject to Social Security and Medicare tax for 2017 as follows:

- 1) The Social Security Tax rate will remain at 6.2 percent. The maximum taxable earnings subject to Social Security Tax is \$127,200—an increase from \$118,500 in 2016. The maximum employee/employer Social Security Deduction will be \$7,886.40.
- 2) The Medicare portion will remain at 1.45 percent on wages up to \$200,000 and increase to 2.35 percent on wages greater than \$200,000. As in 2016, there is no limit to wages subject to the Medicare portion of the tax.

Please share this information with the appropriate Human Resource, Payroll, and Budget staff members. Questions on this subject may be referred to any Payroll Staff Member.

cc: Anna Maria Kiehl, Chief Accounting Officer, Office of the Budget  
Christopher O'Neal, Interim Deputy Secretary, Human Resources & Management  
Jeff Snyder, Manager IES Payroll, Office of Administration  
Bureau Directors (5)